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Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 6, 2010

Catherine Ziegler  
Ziegler Chemical and Mineral Company  
366 North Broadway, Suite 210  
Jericho, New York 11753-2000

Subject: Acceptance of Amendment to Small Mining Activities, Ziegler Chemical & Mineral Corp., Neal 1-2-3-4-5 Mine, S/047/0063, Uintah County, Utah

Dear Ms. Ziegler:

The Division finds your amended Notice of Intention to Commence Small Mining Operations (Notice) complete. You are now permitted to conduct small mining activities as outlined in the amended Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. The bond has been recalculated to more adequately reflect disturbance at the site as listed below:

<b>Small Mine Operation Bond Calculation Worksheet S/047/0063</b>			
<b>5-year escalation (2015)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$7,500.00	\$7,500.00
Add'l Acres Disturbance	3	\$4,400.00	\$13,200.00
Equipment Sets	3	\$2,500.00	\$7,500.00
<b>TOTAL</b>			<b>\$28,200.00</b>
<b>EQUIPMENT SETS per site INCLUDE - HEAD FRAME (1); HOIST HOUSE (2);</b>			
<b>&amp; ORE BIN, COMPRESSOR, FUEL TANK, GENERATOR (3)</b>			



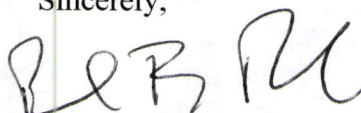
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Please keep in mind the following regulatory requirements.

- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office, and State History of your find.
- Permit fees are due July 30
- Annual reports are due by January 31<sup>st</sup>.

Enclosed please find a copy of the approved amendment to your Notice. The Division's web page at <http://ogm.utah.gov> under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/047/0063. If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257. Best wishes with your mining venture!

Sincerely,



Paul B. Baker  
Minerals Program Manager